



**Testimony to the United States Senate
Committee on Commerce, Science and Transportation
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Chairman McCain, Senator Ashcroft, members of the Committee, my name is Stephen J. Schneider. I currently serve as the Department of Justice Liaison for the Oregon Senior and Disabled Services Division. I previously served as an Assistant Attorney General for the Oregon Department of Justice where I served in the Consumer Protection Division and helped create the Attorney General's Task Force on Elder Abuse.

As you have heard from the victims today, elder financial exploitation is a huge problem. Oregon, having one of the oldest populations per capita in the country today, is experiencing a tremendous growth in the number of reported elder financial abuse cases:

- Elder financial exploitation represents the second leading form of elder abuse in Oregon today (following physical neglect).
- Since 1993, Oregon's reported cases of elder financial exploitation has more than tripled to over one thousand cases.
- Because of the problem of under reporting in these type of abuse cases, it is estimated that the number of financial exploitation victims are at least double or triple current state figures.
- Most of the perpetrators of financial exploitation are family members, including spouses or children, many serving in care giving capacities. Sometimes, hired care givers (non-family) are committing these criminal acts.

Since immersing myself in the issue of elder abuse, I have been involved in a number of cases where the senior citizen has been financially exploited. Some of the more common exploitation cases we have seen include fraudulent telemarketing companies who, targeting seniors' assets, often threaten the senior through extortion or emotional abuse. Fraudulent or deceptive mail promoters prey on seniors' loneliness, isolation, and of course, their bank accounts. To add salt to this injury, most of these mail operators buy, sell and trade "sucker" or "mooch" lists thereby assuring a continual flow (up to two dozen letters a day) of suspicious mail to the targeted victim. Additionally, some door-to-door sales personnel are targeting senior neighborhoods and pitching fraudulent products ranging from roof repair to bogus magazine subscriptions. Several years ago, the state Justice Department was involved with a case where door-to-door vacuum cleaner salespeople were intentionally targeting homes occupied by individuals with Alzheimer's and dementia.

As you might imagine, the list of creative scams against the elderly is endless

and growing. Today, we are seeing the emergence of newer and more creative exploitation methods including the Y2K bank scam, internationally-based promotions (lotteries and easy credit), and the beginning of computer and e-commerce crimes.

Although seniors are targeted and exploited in large numbers on these and other scams, it is often the home-based exploitation that rises to the attention of local law enforcement and adult protective services. Although most care givers, including the adult children of a senior, are caring and honest individuals, suspicious motives do sometimes exist. The greedy child or spouse and the dishonest care giver are sometimes the leading perpetrators. Fraudulent use of an ATM bank card or checkbook is a common complaint, but more and more, we are seeing the senior persuaded or confused into the signing away of important assets and records like vehicle or home titles. Although the senior may be under the impression that their family member/care giver will protect these assets, often times a clear motive of fraud or other criminal intent is involved.

The results of this sort of activity can be devastating to the senior. Assets intended to provide health care and life maintenance for housing and food are sometimes reduced to nothing. With limited funds, health care decisions including the level and quality of care, are in jeopardy and often times leave the victim dependent on taxpayer supported Medicaid. Associated cases of other forms of abuse often accompany financial exploitation including neglect, emotional and sexual abuse.

As we face a tidal wave of demographic change in this country, we must provide the tools necessary to protect vulnerable seniors from financial exploitation. Training our prosecutors, line officers, first-line financial institution responders and others should be a major focus of our work. Concurrently, more outreach needs to take place in our growing senior community.

I am pleased that this Committee is conducting this hearing today and looking into this problem which at some point will touch each one of our lives. Thank you for the opportunity to testify before you this afternoon.